(a) whether Government's attention has been drawn to the World Bank's report namely 'Doing Business';

(b) if so, whether it is a fact that the report enumerated the reasons for which foreign capital investment is not being encouraged;

(c) if so, the details thereof; and

(d) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (d) World Bank's "Doing Business in 2005" report, has analysed the scope and manner of regulations that enhance business activity and those that constrain it. The report benchmarks 145 countries on the parameters of starting a business, hiring and firing workers, registering property, getting credit, protecting investor, enforcing contracts and closing a business. The report deals with the regulations relating to conduct of business and not to foreign capital investment.

According to the report, India was among the top 10 reformers in 2003 with progress in enforcing contracts, getting credit and closing a business.

Export transaction cost

†1005. SHRI RAVI SHANKAR PRASAD :
SHRI RAJ MOHINDER SINGH MAJITHA :

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the export transaction cost is more in India than that of the other countries especially Japan, European countries, USA and England;

(b) if so, the details thereof during the current year; and

(c) the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN) : (a) to (c) There have been a few studies by agencies like Exim Bank, Confederation of Indian Industry

†Original notice of the question was received in Hindi.

(CII) etc. which indicate that the export transaction costs in India are high due to various factors like procedural complexities, high interest rates, high transportation charges and multiplicity of rules and regulations etc. However, over the years, the Government have been striving hard to bring down transaction cost with a view to enhance export growth. With this objective in mind, a High Powered Committee on Transaction Costs of Indian Exports was constituted by Government in 1999 to identify transaction costs and to suggest measures/steps to reduce such costs. This Committee has since been converted into a High Powered Standing Committee on Reduction of Transaction Costs of Indian exports. The Standing Committee monitors and reviews the progress of the operational initiatives undertaken with a view to reduce transaction costs and facilitate export growth. To bring down the transaction cost, during the current year high emphasis has been given in the Foreign Trade Policy to simplify the procedures, to issue the import-export licences online and to link the various community partners like Banks, Customs and Directorate General of Foreign Trade (DGFT) through Electronic Data Interface (EDI). Time limits have been prescribed for issuance of various licences and related operations have been fully computerized in 32 regional offices of DGFT. At present approximately 70per cent import-export licences are being issued online. In fact, a recent survey done by the Exim Bank indicates that the transaction costs of Indian exports have come down significantly due to these initiatives taken by the Government.

Export of major commodities to Pakistan

1006. SHRI K. RAMA MOHANA RAO :
SHRI RAMA MUNI REDDY SIRIGIREDDY :

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that export of India's seven major commodities—iron ore, iron and steels, plastic products, sugar, machinery and instruments, residual chemicals and spices to Pakistan declined by 50 per cent to US $ 30 million during 2002-03;

(b) the reasons for the negative export growth; and

(c) the measures Government are taking or propose to take to increase its exports to Pakistan during the current year and in the coming years?